interpretation, the Department provided interested parties with the preliminary price determination on March 20, 1998.

Calculation Summary

Section IV.C.1. of these agreements specifies how the components of the market price are reached. In order to determine the spot market price, the Department calculated a simple average utilizing the monthly average of the Uranium Price Information System Spot Price Indicator (UPIS SPI) and the weekly average of the Uranium Exchange Spot Price (Ux Spot). In order to determine the long-term market price, the Department calculated a simple average utilizing the weighted-average long-term price as determined by the Department (see explanation below) on the basis of information provided by market participants (market study) and a simple average of the UPIS U.S. Base Price for the months in which there were new contracts reported.

With regard to the market study, the Department's letters to market participants provided a contract summary sheet and directions requesting the submitter to report his/her best estimate of the future price of merchandise to be delivered in accordance with the contract delivery schedules (in U.S. dollars per pound U_3O_8 equivalent). Using the information reported in the market study's proprietary summary sheets, the Department calculated the present value of the prices reported for any future deliveries assuming an annual inflation rate of 2.30 percent. The inflation rate was derived from a rolling average of the annual Gross Domestic Product Implicit Price Deflator index from the past four years. The Department then calculated weight-averaged annual price factors according to the specified nominal delivery volumes for each delivery year. These factors are summed to arrive at the long-term price by reported contract. These contract prices are then weight-averaged together to determine one overall long-term contract price for the market study component. The Department then calculated a simple average of the market study long-term contract price UPIS U.S. Base Price.

Weighting

The Department used the average spot and long-term volumes of U.S. utility and domestic supplier purchases, as reported by the Energy Information Administration (EIA), to weight the calculated spot and long-term components of the observed price. In this instance, we have used purchase data from the period 1993–1996. During this period, the spot market accounted for 79.31 percent of total purchases, and the long-term market for 20.69 percent.

As in previous determinations, the Department used the Energy Information Administration's (EIA) *Uranium Industry Annual* to determine the available average spot- and long-term volumes of U.S. utility purchases. We have continued to use data which reflects the period 1993 through 1996. The EIA has withheld certain business proprietary contract data from the public versions of the *Uranium Industry Annual 1993, Uranium Industry Annual 1994, Uranium Industry Annual 1995* and the *Uranium Industry Annual 1996* (the most recent edition). The EIA, however, provided all business proprietary data to the Department and the Department has used it to update its weighting calculation.

Calculation Announcement

The Department determined, using the methodology and information described above, that the observed market price is $11.76. This reflects an average spot market price of $11.84, weighted at 79.31 percent, and an average long-term contract price of $12.29, weighted at 20.69 percent. Since this price is below $12.00–$13.99 as defined in Appendix A of the suspension agreement with Kazakhstan, Kazakhstan does not receive an Appendix A quota for the period April 1, 1998, to September 30, 1998.

Comments

Consistent with the February 22, 1993, letter of interpretation, the Department provided interested parties the preliminary price determination for this period on March 20, 1998. No interested party submitted comments.

Dated: April 1, 1998.

Joseph A. Spetrini,

Deputy Assistant Secretary for Antidumping Countervailing Duty—Group III.

[FR Doc. 98–9093 Filed 4–6–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–549–502]

Certain Welded Carbon Steel Pipes and Tubes from Thailand: Preliminary Results of Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of Preliminary Results of Antidumping Duty Administrative Review: Certain Welded Carbon Steel Pipes and Tubes from Thailand

SUMMARY: In response to requests by Saha Thai Steel Pipe Co., Ltd. (''Saha Thai'') and its affiliated exporter, S.A.F. Pipe Export Co., Ltd., (''SAF''), and two importers, Ferro Union Inc. (''Ferro Union''), and ASOMA Corp. (''ASOMA''), the Department of Commerce (''the Department'') is conducting an administrative review of the antidumping duty order on certain welded carbon steel pipes and tubes from Thailand. This review covers Saha Thai/SAF, a manufacturer/exporter of the subject merchandise to the United States. The period of review (POR) is March 1, 1996 through February 28, 1997.

We have preliminarily determined that the respondent sold subject merchandise at less than normal value (NV) during the POR. If these preliminary results are adopted in our final results, we will instruct U.S. Customs to assess antidumping duties based on the differences between the export price and NV.

Interested parties are invited to comment on these preliminary results. Parties who submit argument in this proceeding should also submit with the argument (1) a statement of the issue, and (2) a brief summary of the argument.

EFFECTIVE DATE: April 7, 1998.

FOR FURTHER INFORMATION CONTACT: John Totaro or Dorothy Woster, AD/CVD Enforcement Group III, Office VII, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482–1374 or (202) 482–3362, respectively.

Applicable Statute

Unless otherwise indicated, all citations to the statute are references to the provisions effective January 1, 1995, the effective date of the amendments made to the Tariff Act of 1930 (hereinafter, ''the Act'') by the Uruguay Round Agreements Act (''URAA''). In addition, unless otherwise indicated, all citations to the Department's regulations are to the old regulations (19 C.F.R. Part 353 (1997)), as amended by the interim regulations published in the Federal Register on May 11, 1995, (60 FR 25130). Although the Department's new regulations, codified at 19 CFR 351 (62 FR 27296, May 19, 1997) (''Final Regulations''), do not govern this administrative review, citations to those regulations are provided, where appropriate, as a statement of current departmental practice.

SUPPLEMENTARY INFORMATION:

Background

On March 11, 1986, the Department published in the **Federal Register** an antidumping duty order on welded carbon steel pipes and tubes from Thailand (51 FR 8341). On March 7, 1997, the Department published a notice of opportunity to request an administrative review of this order covering the period March 1, 1996 through February 28, 1997 (62 FR 10521). A timely request for an administrative review of the antidumping order with respect to sales by Saha Thai/SAF during the POR was filed jointly by Saha Thai, SAF, Ferro Union, and ASOMA. The Department published a notice of initiation of this antidumping duty administrative review on April 24, 1997 (62 FR 19988). On May 14, 1997, certain domestic producers of standard pipe products entered an appearance in this review: Allied Tube & Conduit Corporation, Sawhill Tubular Division—Armco, Inc., Wheatland Tube Company, and Laclede Steel Company, (''petitioners'' or ''domestic interested parties'').

Because the Department determined that it was not practicable to complete this review within statutory time limits, on November 19, 1997, we published in the **Federal Register** our notice of extension of time limits for this review (62 FR 61802). As a result, we extended the deadline for these preliminary results. The deadline for the final results will continue to be 120 days after publication of these preliminary results.

Scope of the Review

The products covered by this administrative review are certain welded carbon steel pipes and tubes from Thailand. The subject merchandise has an outside diameter of 0.375 inches or more, but not exceeding 16 inches. These products, which are commonly referred to in the industry as ''standard pipe'' or ''structural tubing,'' are hereinafter designated as ''pipe and tube.'' The merchandise is classifiable under the Harmonized Tariff Schedule (HTS) item numbers 7306.30.1000, 7306.30.5025, 7306.30.5032, 7306.30.5040, 7306.30.5055, 7306.30.5085 and 7306.30.5090. Although the HTS subheadings are provided for convenience and Customs purposes, our written description of the scope of the order is dispositive. This review covers sales by Saha Thai/SAF during the period March 1, 1996 through February 28, 1997.

Verification

As provided in section 782(i) of the Act, we verified sales information provided by the respondent Saha Thai from March 2–6, 1997, using standard verification procedures, including examination of relevant financial records and analysis of original documentation used by Saha Thai to prepare responses to requests for information from the Department. We also verified sales and level of trade issues at one of Saha Thai's home market resellers which the Department determined was an affiliate of Saha Thai. Our verification results are outlined in the public version of the verification report (Memorandum to Roland L. MacDonald) from John B. Totaro and Dorothy A. Woster, March 19, 1998 (''Saha Thai Verification Report'').

Affiliation and Collapsing Determinations

Pursuant to section 771 (33) of the Act, the Department considers the following persons or parties to be affiliated:

A. Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants.

B. Any officer or director of an organization and such organization.

C. Partners.

D. Employer and employee.

E. Any person directly or indirectly owning, controlling, or holding with power to vote, five percent or more of the outstanding voting stock or shares of any organization and such organization.

F. Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.

G. Any person who controls any other person and such other person. For the purposes of this paragraph, a person shall be considered to control another person if the person is legally or operationally in a position to exercise restraint or direction over the other person.

It is the Department's practice to collapse affiliated producers for purposes of calculating a margin when the facts demonstrate that the relationship is such that there is a strong possibility of manipulation of prices and production decisions that would result in circumvention of the antidumping order. Although the Department's new regulations published May 19, 1997 (62 FR 27410) do not govern this review, they do codify the Department's current practice. Current practice calls for the Department to treat two or more affiliated producers as a single entity (i.e., ''collapse'' the firms) for purposes of calculating a dumping margin when the following three criteria are met:

1. The producers must be affiliated;
2. The producers must have production facilities for similar or identical products that would not require substantial retooling of either facility in order to restructure manufacturing priorities; and
3. There must be a significant potential for the manipulation of price or production. *Final Regulations*, 62 FR 27296, 27410.

In identifying whether there is a significant potential for the manipulation of price or production, the factors the Department considers include: the level of common ownership; whether managerial employees or board members of one of the affiliated producers sit on the board(s) of directors of the other affiliated parties; and whether operations are intertwined, such as through the sharing of sales information, involvement in production and pricing decisions, the sharing of facilities or employees, or significant transactions between the affiliated producers.

A. Producers of Subject Merchandise

The Department finds that Saha Thai is affiliated under section 771(33)(F) of the Act with two Thai producers of the subject merchandise that are not respondents in this review: Thai Tube Co., Ltd. (''Thai Tube''), and Thai Hong Steel Pipe Import Export Co., Ltd. (''Thai Hong''). This affiliation is established through common control by the Lamatipanont family. For a more detailed discussion of the Department's analysis, see Memorandum to the File, March 31, 1998 (''Producers Affiliation-Collapsing Memorandum.'')

Further, based on public information on the record of this review, the Department determines that Thai Tube and Thai Hong are both producers of the subject merchandise, and therefore have production facilities for identical products to those produced by Saha Thai. We, therefore, conclude that Thai Tube and Thai Hong could restructure their production priorities to produce the subject merchandise with little or no retooling of their facilities.

In considering the ''significant potential'' factors described above, the Department finds, based on the evidence on the record, that there is substantial involvement in the ownership and management of these three producers by members of the Lamatipanont family. However, because there is no evidence of intertwined

operations, we preliminarily find that a significant potential for manipulation of price or production does not exist between Saha Thai and Thai Tube or between Saha Thai and Thai Hong. Therefore, we have not collapsed these three entities for the purpose of calculating a dumping margin. However, we will continue to examine this issue for the final results. *See* Producers Affiliation-Collapsing Memorandum.

B. Siam Steel Group

The Department finds that the member companies of the Siam Steel Group are affiliated under section 771(33)(F) of the Act because they are owned and managed by the Karuchit/ Kunanantakul family. In discussing the scope of the Department's analysis of affiliation through ''control'' under section 771(33) of the Act, the Statement of Administrative Action accompanying the Uruguay Round Agreements Act states that ''[a] company may be in a position to exercise restraint or direction, for example, through corporate or family groupings * * *'' Statement of Administrative Action, H.R. Doc. 316, Vol.1, 103d Cong. (1994) (''SAA'') at 838. The facts on the record in this review demonstrate that the Siam Steel Group, a grouping of Thai entities (including Saha Thai) which produce, sell and provide services related to various steel products under common control by the Karuchit/Kunanantakul family, is the type of ''corporate or family grouping'' envisioned in the SAA and the Final Regulations. Based on the facts in this case, we find that Saha Thai is affiliated under section 771(33)(F) with each and every member of the Siam Steel Group. *See* Memorandum to the File, March 31, 1998 (''SSG Affiliation-Collapsing Memorandum.'')

''Company E'' is a producer of PVC-lined steel pipes and a member of the Siam Steel Group. Therefore, we considered whether Saha Thai and Company E should be collapsed as a single entity for purposes of calculating an antidumping margin. Company E produces standard welded steel BS-medium grade pipe as an intermediate product to finished PVC-lined pipe. In doing so, Company E uses a production process similar to that used by Saha Thai to manufacture the subject merchandise with additional steps to yield PVC-lined pipe. Saha Thai stated that Company E subjects the intermediate, unlined steel pipe to substantial additional manufacturing operations and associated costs to transform this the intermediate product to PVC-lined pipe. In consideration of these facts, we preliminarily do not conclude that it would not require substantial retooling of Company E's facilities to shift production of the subject merchandise from Saha Thai to Company E. Evidence on the record indicates that executing this type of shift would require extensive and expensive infrastructure changes in Company E. Therefore, the second collapsing criterion of section 351.401(f) of the Final Regulations is not satisfied. We will continue to examine this issue for the final results.

Because we determine that the second collapsing criterion is not satisfied, it is not necessary to consider the third criterion in the collapsing analysis—identifying the potential for manipulation of price or production. *See Certain Porcelain-on-Steel Cookware From Mexico: Final Results of Antidumping Duty Administrative Review*, 62 FR 42496, 42497 (August 7, 1997). For these reasons, we determine that it is not appropriate to treat the affiliated companies Saha Thai and Company E as a single entity for the purposes of calculating an antidumping margin. *See* SSG Affiliation-Collapsing Memorandum.

C. Resellers

The record evidence demonstrates that the Sae Haeng/Ratanasirivilai family controls both Saha Thai and Company A, the Lamatipanont family controls both Saha Thai and Company B, and the Ampapankit family controls both Saha Thai and Company C. The record therefore supports our finding of affiliation under section 771(33)(F) of the Act between Saha Thai and these three resellers. *See* Memorandum to the File, March 31, 1998 (''Resellers Affiliation Memorandum'').

Fair Value Comparisons

To determine whether sales of steel pipes and tubes from Thailand to the United States were made at less than normal value (NV), we compared the United States price (USP) to the NV for Saha Thai as specified in the ''United States Price'' and ''Normal Value'' sections of this notice. In accordance with section 777A(d)(2), we calculated monthly weighted-average prices for NV and compared these to individual U.S. transactions.

United States Price

We based USP on EP, in accordance with section 772(b) of the Act, when the subject merchandise was sold to unaffiliated purchasers in the United States prior to importation. Saha Thai sells to the United States through its affiliated export company SAF. We classified all Saha Thai sales to United States customers as EP sales because we did not find Saha Thai/SAF to be affiliated with its U.S. distributors. *Certain Welded Carbon Steel Pipes and Tubes From Thailand: Final Results of Antidumping Duty Administrative Review*, 61 FR 56515, 56517 (November 1, 1996). In this review, the record evidence presents no factual circumstances warranting a change from this prior analysis. Accordingly, we calculated the EP based on the price from Saha Thai/ SAF to unaffiliated parties in the United States where these sales were made prior to importation into the United States, in accordance with section 772(a) of the Act. Where appropriate, in accordance with section 772(c)(2) of the Act, we made deductions from the starting price for ocean freight to the U.S. port, foreign inland freight, foreign brokerage and handling, foreign inland insurance, and bill of lading charge. We also added duty drawback rebated to Saha Thai upon exportation of subject merchandise made from imported coil in accordance with section 771(c)(1) of the Act.

Normal Value

In order to determine whether there is a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the volume of Saha Thai's home market sales of the foreign like product to the volume of U.S. sales of subject merchandise, in accordance with section 773(a)(1)(C) of the Act. Based on this comparison, we determined that the aggregate volume of Saha Thai's home market sales of the foreign like product is greater than five percent of the aggregate volume of Saha Thai's U.S. sales. Thus, we determined that Saha Thai had a viable home market during the POR. Consequently, we based NV on home market sales.

As discussed above, we found Saha Thai and its three home market resellers affiliated under section 771(33)(F) of the Act. Based on this finding, we applied the standard arm's length test to Saha Thai's sales to these affiliated resellers. Because these sales were not made at arm's length prices, we required Saha Thai to report the downstream sales made in the home market by the affiliated resellers. These sales were included in our home market normal value calculation. *See* Memorandum to File from Dorothy Woster, March 31, 1998 (''Analysis Memorandum'').

Pursuant to section 773(b) of the Act, there were reasonable grounds to believe or suspect that Saha Thai had made home market sales at prices below its COP in this review because the

Department had disregarded sales below the COP in the 1994–1995 administrative review (i.e., the most recently completed review at the time we issued our antidumping questionnaire). As a result, the Department initiated an investigation to determine whether Saha Thai made home market sales during the POR at prices below its COP. We calculated the COP based on the sum of respondent's cost of materials and fabrication for the foreign like product, plus amounts for SG&A and packing costs, in accordance with section 773(b)(3) of the Act.

We used respondent's reported COP amounts to compute weighted-average COPs during the POR. We compared the COP figures to home market sales of the foreign like product as required under section 773(b) of the Act, in order to determine whether these sales had been made at prices below the COP. On a product-specific basis, we compared the COP to home market prices, less any applicable movement charges, discounts and credit notes.

In determining whether to disregard home market sales made at prices below the COP, we examined (1) whether, within an extended period of time, such sales were made in substantial quantities, and (2) whether such sales were made at prices which permitted the recovery of all costs within a reasonable period of time in the normal course of trade.

Pursuant to section 773(b)(2)(C) of the Act, where less than 20 percent of the respondent's sales of a given product were at prices less than the COP, we did not disregard any below-cost sales of that product because we determined that the below-cost sales were not made in ''substantial quantities.'' Where 20 percent or more of the respondent's sales of a given product during the POR were at prices less than the COP, we determined such sales to have been made in substantial quantities within an extended period of time in accordance with section 773(b)(1)(A) of the Act. In such cases, we also determined that such sales were not made at prices which would permit recovery of all costs within a reasonable period of time, in accordance with section 773(b)(1)(B) of the Act. Therefore, we disregarded the below-cost sales.

On January 8, 1998, the Court of Appeals for the Federal Circuit issued a decision in *CEMEX* v. *United States*, 1998 WL 3626 (Fed Cir., 1998). In that case, based on the pre-URAA version of the Act, the Court discussed the appropriateness of using constructed value (CV) as the basis for foreign market when the Department finds home market sales to be outside the ''ordinary course of trade.'' This issue was not raised by any party in this proceeding. However, the URAA amended the definition of sales outside the ''ordinary course of trade'' to include sales disregarded as below cost. *See* Section 771(15) of the Act. Consequently, the Department has determined that it would be inappropriate to resort directly to CV, in lieu of foreign market sales, as the basis for NV if the Department finds foreign market sales of merchandise identical or most similar to that sold in the United States to be outside the ''ordinary course of trade.'' Instead, the Department will use sales of similar merchandise, if such sales exist. The Department will use CV as the basis for NV only when there are no above-cost sales that are otherwise suitable for comparison. Therefore, in this proceeding, when making comparisons in accordance with section 771(16) of the Act, we considered all products sold in the home market as described in the ''Scope of Review'' section of this notice, above, that were in the ordinary course of trade (i.e., sales that passed the cost test) for purposes of determining appropriate product comparisons to U.S. sales. Where there were no sales in the ordinary course of trade of the identical or the most similar merchandise in the home market that were otherwise suitable for comparison, we compared U.S. sales to sales of the next most similar foreign like product, based on the characteristics listed in Sections B and C of our antidumping questionnaire. We have implemented the Court's decision in this case, to the extent that the data on the record permitted.

Where appropriate, we adjusted Saha Thai's home market sales for discounts, credit expenses, inland freight, inland insurance, and warehousing. We also adjusted the home market sales made by reseller Company B for credit notes. In addition, in accordance with section 773(a)(6), we deducted home market packing costs and added U.S. packing costs.

In accordance with section 773(e) of the Act, we calculated CV based on the sum of Saha Thai's cost of materials, fabrication, SG&A, profit, and U.S. packing costs. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by Saha Thai in connection with the production and sale of the foreign like product in the ordinary course of trade, for consumption in the foreign country. For selling expenses, we used the average of the selling expenses reported for home market sales that survived the cost test, weighted by the total quantity of those sales. For actual profit, we first calculated the difference between the home market sales value and home market COP, and divided the difference by the home market COP. We then multiplied this percentage by the COP for each U.S. model to derive an actual profit.

Level of Trade

As set forth in section 773(a)(1)(B)(i) of the Act and in the SAA, to the extent practicable, we determine normal value (NV) based on sales in the comparison market at the same level of trade as the export price (EP) or the constructed export price (CEP). The NV level of trade is that of the starting-price sales in the comparison market or, when NV is based on constructed value (CV), that of the sales from which we derive selling, general and administrative expenses and profit. For EP, the U.S. level of trade is the level of the starting-price sale, which is usually from exporter to importer.

To determine whether NV sales are at a different level of trade than EP or CEP, we examine stages in the marketing process and selling functions along the chain of distribution between the producer and the unaffiliated customer. If the comparison-market sales are at a different level of trade, and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and comparison-market sales at the level of trade of the export transaction, we make a level of trade adjustment under section 773(a)(7)(A) of the Act. *See Notice of Final Determination of Sales at Less Than Fair Value: Certain Cut-to-Length Carbon Steel Plate from South Africa,* 62 FR 61731 (November 19, 1997).

For the U.S. market, Saha Thai reported only one level of trade for its EP sales. This single level of trade represents large volume sales to unaffiliated trading companies/distributors in the U.S. In the home market, Saha Thai claimed that sales were made at two levels of trade: (1) large volume home market sales made to unaffiliated trading companies and distributors (made at the same level of trade as U.S. sales), and (2) sales made by its affiliated resellers to retailers and end-users. Saha Thai claimed that the resellers' home market sales are at a more advanced level of trade than Saha Thai/SAF's U.S. and home market sales because the reseller sales require keeping varied inventory on hand, higher warehouse staffing levels, and additional delivery services and selling expenses.

To determine whether sales in the home market occur at two different levels of trade, and therefore, whether a level of trade adjustment should be applied when U.S. sales are matched to sales by Saha Thai's resellers, we analyzed the selling expenses and functions performed by Saha Thai and its affiliated resellers. In comparing the two claimed home market levels of trade to each other, we note that both Saha Thai and the resellers performed the following selling functions: preparing merchandise for shipment, maintaining sales records, and pricing/ discounts/ rebates. The following selling functions are performed only by the resellers: maintaining inventory, collecting bills, extending credit, pre-sale warehousing, and providing delivery to the customer with its own fleet of trucks. The qualitative nature of these different selling functions is reflective of a more advanced marketing stage, viz-a-viz Saha Thai's sales to trading companies/ distributors. Consistent with this finding, we note significant quantifiable difference in selling expenses (indirect selling expenses and presale warehousing expenses) reported by the resellers and Saha Thai. Thus, we determine that resellers' sales were made at a more advanced level of trade than Saha Thai's sales in the home market. Accordingly, where possible, we matched EP sales to home market sales made at the same level of trade, i.e. to home market sales made by Saha Thai.

When we compare U.S. sales to home market sales at a different level of trade, we make a level-of-trade adjustment if the difference in levels of trade affects price comparability. We determine any effect on price comparability by examining sales at different levels of trade in a single market, the home market. Any price effect must be manifested in a pattern of consistent price differences between home market sales used for comparison and sales at the equivalent level of trade of the export transaction. To quantify the price differences, we calculate the difference in the average of the net prices of the same models sold at different levels of trade. We use the average difference in net prices to adjust NV when NV is based on a level of trade different from that of the export sale. If there is a pattern of no price differences, the difference in levels of trade does not have a price effect and, therefore, no adjustment is necessary. Because comparisons of home market net prices did not reveal a pattern of consistent price differences between Saha Thai's home market sales and the resellers' home market sales, no level of trade adjustment was granted.

Currency Conversion

For purposes of the preliminary results, we made currency conversions based on the exchange rates in effect on the dates of the U.S. sales as certified by the Federal Reserve Bank of New York. *See* Change in Policy Regarding Currency Conversions, 61 FR 9434 (March 8, 1996). Section 773A(a) directs the Department to use a daily exchange rate in order to convert foreign currencies into U.S. dollars unless the daily rate involves a fluctuation. It is the Department's practice to find that a fluctuation exists when the daily exchange rate differs from the benchmark rate by 2.25 percent. The benchmark is defined as the moving average of rates for the past 40 business days. When we determine a fluctuation to have existed, we substitute the benchmark rate for the daily rate, in accordance with established practice.

Preliminary Results of the Review

We preliminarily determine that the following weighted-average dumping margins exist:

Manufacturer/exporter	Period	Margin (percent)
Saha Thai/SAF	3/1/96–2/28/97	1.92

Parties to the proceeding may request disclosure within five days of the date of publication of this notice. Any interested party may request a hearing within 10 days of publication. Any hearing, if requested, will be held 44 days after the date of publication or the first business day thereafter. Case briefs and/or other written comments from interested parties may be submitted not later than 30 days after the date of publication. Rebuttal briefs and rebuttals to written comments, limited to issues raised in those comments, may be filed not later than 37 days after the date of publication of this notice. The Department will publish the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments, within 120 days from the date of publication of these preliminary results.

Upon issuance of the final results of review, the Department shall determine, and the U.S. Customs Service shall assess, antidumping duties on all appropriate entries. We calculated importer-specific ad valorem duty assessment rates for the class or kind of merchandise based on the ratio of the total amount of antidumping duties calculated for the examined sales made during the POR to the total customs value of the sales used to calculate those duties. This rate will be assessed uniformly on all entries that particular importer made during the POR. (This is equivalent to dividing the total amount of the antidumping duties, which are calculated by taking the difference between statutory NV and statutory EP, by the total statutory EP value of the sales compared, and adjusting the result by the average difference between EP and customs value for all merchandise examined during the POR). Upon completion of this review, the Department will issue appraisement instructions directly to the Customs Service.

Furthermore, the following deposit rates will be effective upon the publication of the final results of these administrative reviews for all shipments of circular welded carbon steel pipes and tubes from Thailand entered, or withdrawn from warehouse, for consumption on or after the publication date, as provided for by Section 751(a)(2)(c) of the Act: (1) the cash deposit rate for the reviewed companies will be that established in the final results of this review; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent period; (3) if the exporter is not a firm covered in this review, or the original LTFV investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent period for the manufacturer of the merchandise; (4) the cash deposit rate for all other manufacturers or exporters will continue to be 15.67 percent, the ''All Others'' rate made effective by the LTFV investigation. These requirements, when imposed, shall remain in effect until publication of the final results of the next administrative review.

This notice serves as a preliminary reminder to importers of their responsibility under 19 CFR 353.26 to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

These preliminary results of review are issued and published in accordance with section 751(a)(1) and 777(i)(1) of the Act and 19 CFR 353.22.

Dated: March 31, 1998.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 98–9091 Filed 4–6–98; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[A–580–810]

Certain Welded Stainless Steel Pipe From Korea; Final Results of Antidumping Duty Changed Circumstances Review

AGENCY: International Trade Administration/Import Administration, Department of Commerce.

ACTION: Notice of final results of antidumping duty changed circumstances review.

SUMMARY: On February 6, 1998, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of its antidumping duty changed circumstances review on certain welded stainless steel pipe from Korea (63 FR 6153) to examine whether SeAH Steel Corporation (SeAH) is the successor to Pusan Steel Pipe (PSP), the successor to Sammi Metal Products Co. (Sammi), or neither. We have now completed this review and determine that, for purposes of applying the antidumping duty law, SeAH is the successor to PSP, and as such, should be assigned the antidumping deposit rate applicable to PSP.

EFFECTIVE DATE: April 7, 1998.

FOR FURTHER INFORMATION CONTACT: Lesley Stagliano or Maureen Flannery, Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington D.C. 20230; telephone (202) 482–0648, (202) 482–3020.

SUPPLEMENTARY INFORMATION:

Background

On February 6, 1998, the Department of Commerce (the Department) published in the **Federal Register** the preliminary results of its antidumping duty changed circumstances review on certain welded stainless steel pipe from Korea (63 FR 6153). We have now completed this changed circumstances review in accordance with section 751(b) of the Tariff Act of 1930, as amended (the Act).

Scope of Review

Imports covered by the review are shipments of welded austenitic stainless steel pipe (WSSP) that meets the standards and specifications of the American Society for Testing and Materials (ASTM) for the welded form of chromium-nickel pipe designated ASTM A–312. The merchandise covered by the scope of this order also includes WSSP made according to the standards of other nations which are comparable to ASTM A–312.

WSSP is produced by forming stainless steel flat-rolled products into a tubular configuration and welding along the seam. WSSP is a commodity product generally used as a conduit to transmit liquids or gases. Major applications for WSSP include, but are not limited to, digester lines, blow lines, pharmaceutical lines, petrochemical stock lines, brewery process and transport lines, general food processing lines, automotive paint lines and paper process machines. Imports of WSSP are currently classifiable under the following Harmonized Tariff Schedules of the United States (HTSUS) subheadings: 7306.40.5005, 7306.40.5015, 7306.40.5040, 7306.40.5065, and 7306.40.5085. Although these subheadings include both pipes and tubes, the scope of this review is limited to welded austenitic stainless steel pipes. Although the HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this order is dispositive.

This changed circumstances administrative review covers SeAH and any parties affiliated with SeAH.

Successorship

According to SeAH, PSP legally changed its name to SeAH on December 28, 1995, which change became effective on January 1, 1996. SeAH claims that its name change from PSP was a change in name only, and that the legal structure of the company, its management, and ownership were not affected by the name change. SeAH also claims that it is a part of a larger group of related companies, certain members of which had SeAH in their names prior to January 1, 1996.

In its request for a changed circumstances review, SeAH indicated that PSP had acquired certain production assets formerly owned by Sammi Metal Products Co. (Sammi). SeAH asserts that the acquisition, which occurred more than a year before the name change and was effective January 3, 1995, is not related to the name change. SeAH claims that its acquisition of the products and facilities of Sammi is functionally no different from PSP expanding its existing facilities or contracting a new manufacturing facility.

Based on the information submitted by SeAH, petitioners have argued that SeAH is, at a minimum, a hybrid of PSP and Sammi.

In determining whether one company is the successor to another for purposes of applying the antidumping duty law, the Department examines a number of factors including, but not limited to, changes in (1) management, (2) production facilities, (3) suppliers, and (4) customer base. See, *e.g.*, Brass Sheet and Strip from Canada; Final Results of Antidumping Duty Administrative Review, (57 FR 20460, May 13, 1992); Steel Wire Strand for Prestressed Concrete from Japan; Initiation and Preliminary Results of Changed Circumstances Antidumping Duty Administrative Review, (55 FR 7759, March 5, 1990); and Industrial Phosphoric Acid From Israel; Final Results of Antidumping Duty Changed Circumstances Review (59 FR 6944, February 14, 1994). While no one or several of these factors will necessarily provide a dispositive indication of succession, the Department will generally consider one company to be a successor to a second if its resulting operation is essentially the same as that of its predecessor. See Brass Sheet and Strip from Canada; Final Results of Antidumping Duty Administrative Review, (55 FR 20460, 20461, May 13, 1992). Thus, if the evidence demonstrates that, with respect to the production and sale of the subject merchandise, the new company operates as the same business entity, the Department will assign the new company the cash deposit rate of its predecessor.

The record in this review, as demonstrated by the following factors, indicates that SeAH is the successor to PSP for the production of subject